

Minutes of the Annual Stockholders Meeting
April 7, 1973

Minutes of the Annual Stockholders Meeting of the Heber Creeper, Inc. held April 7, 1973 at the home of Lowe Ashton. Those present were: Wesley R. Budd, C. H. Nielson, J. R. Edwards, W. E. Sweeney, Ed McLaughlin, Del Wallengren, Dennis A. Spendlove, Dr. Raymond Green, Donald M. Hoggan, Leon Ritchie and Lowe Ashton. President Ashton acted as chairman of the meeting which was called to order at 1:25 p.m. with 76,570 shares present in person or by proxy.

Roll call was taken noting the amount of stock held by each shareholder. Lowe Ashton held proxies for Gordon Mendenhall, Dr. J. D. Boggess and Ashton Bros. Co.

The Secretary presented the Notice which was furnished to all shareholders in connection with the meeting.

The minutes of the last stockholder meeting which was held on Saturday, February 12, 1972 were read and approved.

Prior to the Annual Meeting, President Lowe Ashton had mailed to each stockholder a newsletter describing the financial position of the Company including a profit and loss statement, overall picture of the operating season and statistics showing the increases in growth etc. The newsletter is part of the minutes.

At the present time all payments are current and there are approximately \$20,000 of the loan funds left. The engine house has been completed and paid for. Lowe Ashton and W. E. Sweeney have not been taking their checks and will receive them after the operating season gets underway. Our initial plans to begin operation on Mother's Day weekend cannot be firm until several problems are solved. At the present, snow still covers a good portion of the track making track work impossible. Also, there is a snow slide between Vivian and the Falls which has not melted or been cleared away. Dennis has been working primarily on getting the engines ready. The #618, #35 and the Shay will all be operable for the season. Dennis has budgeted his money extremely well and feels that the \$8900 allotted will cover the costs. Dennis had planned to redeck the Provo River Bridge at Charleston. However, the crane is needed for the bridge repair and he cannot pull the engine crew off the engines to repair the crane. The engines have #1 priority. There will have to be a slow order posted on the bridge until such time as the repairs can be completed.

The Environmental Impact Study which has been conducted by the State Road concerning the highway through Provo Canyon has presented some problems for the Company. Ed and Lowe both studied the large volumn and discovered that the railroad was not discussed in detail in relation to the new highway development. Three alternatives were discussed in the Study: 1). To modify the existing highway, 2). New Alignment U-2, 3). New Alignment U-4. All three plans apparently require, according to the Study, three (3) highway-railway-river structures. After having Richard Brown, our stock attorney, analyze the situation, he felt that we should have a statement prepared to present at the Public Hearing on the highway matter. This would make our viewpoint a part of the permanent record. Also, it may involve the Company in a possible law suit. However, when Lowe and W. E.

met with the Governor prior to our opening he stated that if the railroad proved to be successful, the Legislature would appropriate money for the needed structures.

There have been 2 or 3 interested people with money approach us wanting to put money into the Company. In the past we have said "No" because we were trying to go public and could have no more stockholders. However, the laws read that after all stockholders have been in the Company over one year, this method of new stockholders is legal as long as it has the approval of the stockholders. The new parties involved must be fully aware of the risk and receive a full disclosure of the stock.

It was decided that the Stockholders would hold a special meeting and discuss the matter further when there was a specific person in mind.

Management is still looking seriously at having a Public Stock Issue. Limited Partnerships have been studied and it is felt that they are not quite all that we thought them to be. At the present time Richard Brown has suggested that we work towards September as the month to bring the Stock Issue on the Market. The Company is operating, which will make the audit look very good and there will be a lot of advertising keeping the Heber Creeper in the minds of the public.

Del Wallengren brought up the matter of the Board of Director members who signed the notes at Zions Bank. He felt that the signers of the SBA note should be entitled to some additional five year options. Lowe reported that Roy Simmons, President of Zions Bank had stated that those who signed the SBA note guarantees should be entitled to options for stock, subject to the profitability of the Company.

W. E. Sweeney made the motion that Lowe investigate the possibilities of stock options for those who signed the SBA note guarantees on a one for one basis subject to approval by legal council. Wesley R. Budd seconded the motion. ALL APPROVE.

Lowe reported that the reported gasoline shortage may have some effect on the tourist trade in the State and the railroad. Utah will have gas, but the tourist may think that the gas will get here and then not have the gas to get somewhere else. Arizona is already beginning to show signs of this.

Ed McLaughlin reported that a full color brochure is ready for the printer and will be done shortly. Mountainlands has allocated \$4000 for a caboose and the manning of it. This will greatly enhance the railroads impact on the thousands of summer tourists using Highway 40. We are at present working towards several promotions. Roy Rogers have committed to advertise the Heber Creeper and give out coupons which are good only on Friday (one of our overall slow days) which gives a child ticket free when an adult ticket is purchased. Meadow Gold has also been approached, but have not committed themselves (Note: Meadow Gold agreed to this on 4-12-73).

The Homestead and the Heber Creeper have joined forces and through Terra Travel have made up a package tour. This is included in the Salt Lake Convention Center Tour Brochure. The Square Dancers, who are holding a nationwide convention in Salt Lake have placed this on their agenda.

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The passenger coaches are the biggest problem as far as getting the cars ready for the approaching season. Two will be ready for the beginning of the season and the other two will be worked on during the season.

Used oil has been acquired through the Denver Rio Grande at a delivered cost of about 2½¢ per gallon. This will be a savings of almost \$7,000 under last years fuel costs. Lowe's old transport is being used to haul the oil to the tanks at the depot yard.

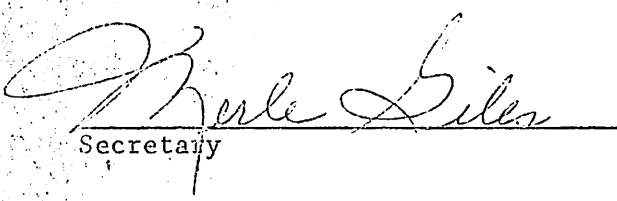
Bridal Veil Falls has agreed to put in flush type toilets, make a larger parking lot, make a new bridge and a bigger patio. They also have agreed to let the railroad sell tickets in their building.

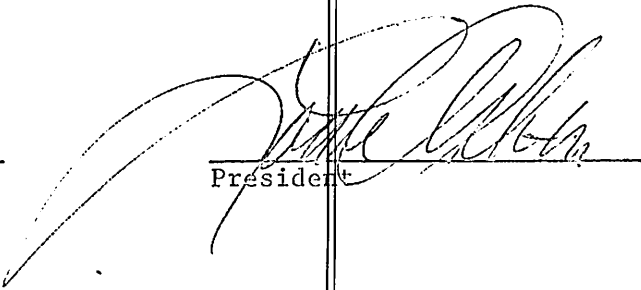
A small water softener will be installed in the Canyon to water the Shay, which will be used for the Canyon train. The Yosemite Sugar Pine tourist railroad used a Shay on a similar grade and reports to us that it worked very well.

Leon Ritchie made the motion that the rules be suspended and that the present Board of Directors be elected by acclamation. W. E. Sweeney seconded the motion and all approve.

The 1972 and 1973 Board of Directors are Lowe Ashton, W. E. Sweeney, Gordon Mendenhall, Jim Ritchie, Wesley R. Budd, J. R. Edwards, Dr. R. Raymond Green, Dr. J. D. Boggess and Delbert Wallengren.

The meeting adjourned at 3:20 p.m.


Secretary


President